

House Engrossed

**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 32**  
**HOUSE BILL 2203**

AN ACT

AMENDING SECTIONS 32-2194.27 AND 32-2194.30, ARIZONA REVISED STATUTES;  
RELATING TO ENDOWED-CARE CEMETERIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-2194.27, Arizona Revised Statutes, is amended  
3 to read:

4 32-2194.27. Restrictive use of income from endowed-care fund;  
5 obligation

6 The irrevocable trust fund ~~created under the provisions of~~  
7 ESTABLISHED PURSUANT TO section 32-2194.26 shall be evidenced by an  
8 instrument in writing and shall contain the following provisions:

9 1. There shall be designated a trustee for the endowed-care fund  
10 ~~which shall be~~ THAT IS a financial institution authorized to do business  
11 in this state and authorized to act as trustee by the laws of this state  
12 for such investments. The trustee must be one in which no officer,  
13 director or owner ~~in~~ OF the cemetery is financially interested in any way.

14 2. The principal of the trust fund shall remain permanently intact,  
15 and only the income ~~therefrom~~ OR THE UNITRUST AMOUNT SPECIFIED IN SECTION  
16 14-11014 OR 14-11015 shall be expended. It is the intent of this section  
17 that the income OR UNITRUST AMOUNT of the fund shall be used solely for  
18 the care of plots or other burial spaces sold to third persons with a  
19 provision for perpetual or endowed care and the care of such other  
20 portions of the cemetery immediately surrounding such plots as may be  
21 necessary to preserve the beauty and dignity of the plots sold. The fund  
22 or its income shall never be used for the development, improvement or  
23 embellishment of unsold portions of the cemetery so as to relieve the  
24 owner of the cemetery of the ordinary cost incurred in preparing such  
25 property for sale.

26 3. A financial institution acting as a trustee does not have a  
27 legal obligation to operate a cemetery other than providing trust fund  
28 income to the receiver or successor of a cemetery unable to meet its  
29 perpetual care obligations. A TRUSTEE, IN ITS SOLE DISCRETION AND WITHOUT  
30 THE APPROVAL OF THE COURT, MAY CONVERT THE TRUST TO A TOTAL RETURN  
31 UNITRUST AND ADMINISTER THE ENDOWED-CARE FUND AS PROVIDED IN SECTION  
32 14-11014.

33 Sec. 2. Section 32-2194.30, Arizona Revised Statutes, is amended to  
34 read:

35 32-2194.30. Restriction on use of endowed-care funds

36 ~~Endowment care~~ ENDOWED-CARE funds shall not be used for any purpose  
37 other than to provide ~~income~~ for the care of burial spaces as ~~stated above~~  
38 PRESCRIBED IN SECTION 32-2194.27. In investing these funds, the trustee  
39 shall exercise the judgment and care of a prudent investor under the  
40 circumstances then prevailing, not in regard to speculation, but in regard  
41 to the permanent disposition of their funds, considering the probable  
42 income OR UNITRUST AMOUNT as well as the probable safety of their  
43 capital. Within the limitations of the foregoing standard, and subject to

1 any express provisions or limitations contained in any particular trust  
2 instrument, a trustee is authorized to acquire every kind of property,  
3 real, personal or mixed, and every kind of investment, specifically  
4 including, ~~but not by way of limitation,~~ corporate obligations of every  
5 kind, and stocks, preferred or common, that prudent investors acquire for  
6 their own account.

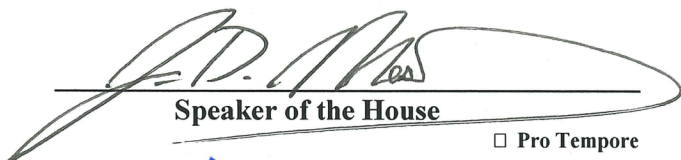
**APPROVED BY THE GOVERNOR MARCH 21, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 21, 2017.**

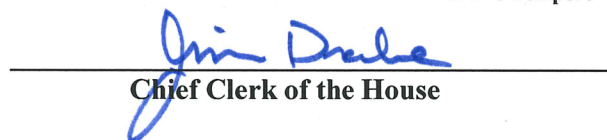
Passed the House February 2, 20 17

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

  
Speaker of the House

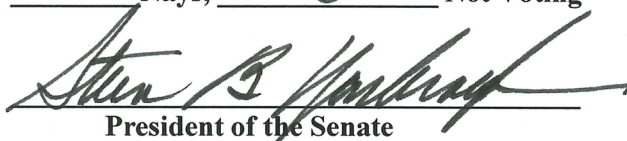
☐ Pro Tempore

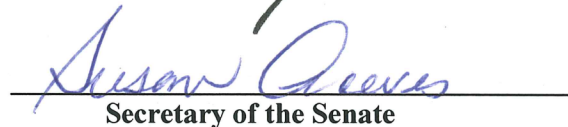
  
Chief Clerk of the House

Passed the Senate March 13, 20 17

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

  
President of the Senate

  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

15<sup>th</sup> day of March, 20 17

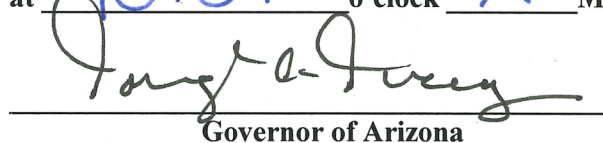
at 4:02 o'clock P. M.

  
Secretary to the Governor

Approved this 21<sup>st</sup> day of

March, 20 17

at 10:57 o'clock A M.

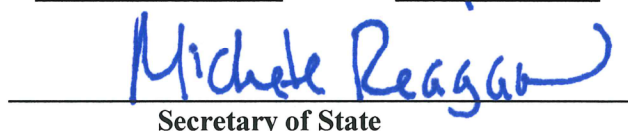
  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 21 day of March, 20 17

at 4:51 o'clock P M.

  
Secretary of State

H.B. 2203